

## RESOLUTION NO. .

**BOARD OF SUPERVISORS, COUNTY OF SAN MATEO, STATE OF CALIFORNIA**

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**RESOLUTION: A) AUTHORIZING AND DIRECTING THE DIRECTOR OF THE DEPARTMENT OF HOUSING, OR DESIGNEE, TO EXECUTE AN EXCLUSIVE NEGOTIATING AGREEMENT WITH ALTA HOUSING CORPORATION (“ALTA”) TO AFFORD THE PARTIES SUFFICIENT TIME TO NEGOTIATE THE TERMS OF A GROUND LEASE AGREEMENT AND ALL DOCUMENTS EVIDENCING AND SECURING A PREDEVELOPMENT LOAN RELATED TO THE OPERATION AND MANAGEMENT OF A PERMANENT AFFORDABLE HOUSING DEVELOPMENT FOR HOMELESS INDIVIDUALS AND HOUSEHOLDS/FAMILIES OR THOSE WHO ARE AT RISK OF HOMELESSNESS (“PROJECT”) ON COUNTY PROPERTY LOCATED AT 1818 EL CAMINO REAL IN REDWOOD CITY; AND B) AUTHORIZING AND DIRECTING THE DIRECTOR OF THE DEPARTMENT OF HOUSING, OR DESIGNEE, IN CONSULTATION WITH COUNTY ATTORNEY, TO NEGOTIATE AND EXECUTE A GROUND LEASE AGREEMENT AND ALL DOCUMENTS EVIDENCING AND SECURING A PREDEVELOPMENT LOAN, IN A TOTAL AMOUNT NOT TO EXCEED \$1,500,000 IN MEASURE K FUNDS, WITH ALTA HOUSING CORPORATION, TO COVER COSTS ASSOCIATED WITH THE OPERATION AND MANAGEMENT OF THE SUBJECT PROPERTY; AND C) AUTHORIZING THE DIRECTOR OF THE DEPARTMENT OF HOUSING, OR DESIGNEE, TO EXECUTE CONTRACT AMENDMENTS, WHICH MODIFY THE COUNTY’S MAXIMUM FISCAL OBLIGATION BY NO MORE THAN \$25,000 (IN AGGREGATE)**

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**RESOLVED**, by the Board of Supervisors of the County of San Mateo, State of California, that

**WHEREAS**, the Homekey Program (“Homekey”), administered by the California Housing and Community Development Department (“State HCD”), provided funding to rapidly sustain and expand the inventory of housing for people experiencing homelessness or at risk of homelessness and impacted by COVID-19; and

**WHEREAS**, Homekey presented an opportunity for local public agencies to purchase motels and a broad range of other housing types in order to increase community capacity to respond to homelessness and the ongoing COVID-19 pandemic; and

**WHEREAS**, On September 2021, State HCD was authorized to provide approximately \$1.2 billion in Homekey funding derived from the Coronavirus State Fiscal Recovery Fund established by the federal American Rescue Plan Act of 2021 (Public Law 117-2) and \$250 million in State General Fund to assist local public agencies in the acquisition of, and provide initial operating subsidies for, Homekey sites to promote project feasibility; and

**WHEREAS**, with the Board's authorization (Resolution No. 078452), the County applied for and received a funding award from the Homekey Program to help finance the acquisition of a 51-unit hotel called Comfort Inn & Suites, located at 1818 El Camino Real in Redwood City (APN: 053-122-160) ("Property") for the purpose of providing permanent affordable housing to the County's most vulnerable residents, individuals and families who are homeless or who are at risk of homelessness, as defined in Part 578.3 of Title 24 of the Code of Federal Regulations, including chronically homeless and homeless individuals and households/families; and

**WHEREAS**, On January 4, 2022, your Board authorized the President of the Board of Supervisors to execute a Real Estate Purchase and Sale Agreement and Escrow Instructions for the County's acquisition of the Property for a total purchase price of \$17,000,000 for the purpose of providing permanent affordable housing to some of the County's most vulnerable residents, including chronically homeless and homeless households. The County conducted necessary due diligence and determined the Property was in good condition, closed escrow and assumed title to the Property on April 12, 2022; and

**WHEREAS**, the County intends to use the Property as permanent housing exclusively for the County's most vulnerable residents, including chronically homeless and homeless individuals and households/families earning less than 60% of the area median income; and

**WHEREAS**, On September 9, 2021, the County of San Mateo Department of Housing ("DOH") issued a Request for Qualifications ("RFQ") in order to solicit Statements of Qualifications from affordable housing developers and service providers, with extensive experience owning, operating, managing and maintaining affordable housing with high-quality resident services and supportive services to serve as the operator/manager of multi-family residential properties the County may acquire through Homekey; and

**WHEREAS**, after receiving six submissions, on January 20, 2022, the County's RFQ selection committee chose Alta Housing as the operator and manager of the Property because Alta Housing possesses the experience and skills necessary to identify and secure long-term funding for the Property, to utilize a thoughtful approach in working with the local community and neighborhood groups, and to provide the services the residents of the affordable housing development will need to remain stably housed and have a positive impact upon the surrounding community; and

**WHEREAS**, subject to the Board's approval, the County and Alta will enter into an Exclusive Negotiating Agreement ("ENA") to afford the parties with sufficient time to negotiate a Ground Lease Agreement and all documents evidencing and securing a Predevelopment loan in a total amount not to exceed \$1,500,000 (collectively, "Loan

Documents") that will be necessary for Alta to operate and manage the Property for a ten (10) year period; and

**WHEREAS**, the term of the ENA will be ninety calendar (90) days, which may be extended by the Director of the Department of Housing Director, in writing, at the written request of Alta, for up to 60 additional calendar days ("ENA Period"); and

**WHEREAS**, the parties will negotiate and execute a Lease Agreement and Loan Documents, in consultation with their respective counsel. Pursuant to the Lease Agreement, the County will lease the Property to Alta at a nominal rate for a term of ten (10) years during which Alta will be operating and managing the Property; and

**WHEREAS**, pursuant to the terms and conditions of the Loan Documents, the County will provide Alta with a Predevelopment loan in a total amount not to exceed \$1,500,000, to fund startup costs and lease-up reserves in exchange for Alta's agreement to rent the units exclusively to individuals and families who are homeless or who are at risk of homelessness, as defined in Part 578.3 of Title 24 of the Code of Federal Regulations, including chronically homeless and homeless individuals and households/families and to record a 55-year affordability covenant restricting tenancy to individuals earning at or less than 60% of area median income.

**NOW, THEREFORE, IT IS HEREBY DETERMINED AND ORDERED** that the Board of Supervisors, County of San Mateo, State of California authorize and direct the Director of the Department of Housing, or designee, to execute an Exclusive Negotiating Agreement ("ENA") with Alta Housing Corporation ("Alta") to afford the parties sufficient time to negotiate the terms of a Ground Lease Agreement and all documents evidencing

and securing a Predevelopment Loan related to the operation and management of a permanent affordable housing development for homeless individuals and households/families or those who are at risk of homelessness ("Project") on the County Property located at 1818 El Camino Real in Redwood City; and

**BE IT FURTHER RESOLVED** that the Board of Supervisors, County of San Mateo, State of California authorize and direct the Director of the Department of Housing, or designee, in consultation with County Attorney, to negotiate and execute a Ground Lease Agreement and all documents evidencing and securing a predevelopment loan, in a total amount not to exceed \$1,500,000 in Measure K funds, with Alta Housing Corporation, to cover costs associated with the operation and management of the subject property; and

**BE IT FURTHER RESOLVED** that the Director of the Department of Housing, or designee, is authorized to execute contract amendments, which modify the County's maximum fiscal obligation by no more than \$25,000 (in aggregate).

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